

<b>AWARD/CONTRACT</b>		<b>1. This Contract Is A Rated Order Under DPAS (15 CFR 700)</b>		<b>Rating</b> DOA5		<b>Page</b> 1 <b>Of</b> 27	
<b>2. Contract (Proc. Inst. Ident) No.</b> DAAE20-00-C-0066		<b>3. Effective Date</b> 2000JUN29		<b>4. Requisition/Purchase Request/Project No.</b> SEE SCHEDULE			
<b>5. Issued By</b> TACOM-ROCK ISLAND AMSTA-LC-CAC-B ELYSE MEADE (309) 782-5789 ROCK ISLAND IL 61299-7630		<b>Code</b> W52H09	<b>6. Administered By (If Other Than Item 5)</b> DCMC SOUTHERN EUROPE - ITALY UNIT 31401 BOX 71 APO AE 09630-0071		<b>Code</b> STA23A		
<b>e-mail address:</b> MEADEE@RIA.ARMY.MIL		<b>SCD</b> C		<b>PAS</b> NONE		<b>ADP</b> PT HQ0339	
<b>7. Name And Address Of Contractor (No. Street, City, County, State, And Zip Code)</b> CONSORZIO IVECO FIAT OTO MELARA VIA TACITO 90 ROME 00193 ITALY  TYPE BUSINESS: Foreign Concern/Entity				<b>8. Delivery</b> <input type="checkbox"/> FOB Origin <input checked="" type="checkbox"/> Other (See Below) SEE SCHEDULE			
				<b>9. Discount For Prompt Payment</b>			
				<b>10. Submit Invoices (4 Copies Unless Otherwise Specified)</b> <b>Item</b> 12			
<b>Code</b> AC320		<b>Facility Code</b>		<b>To The Address Shown In:</b>			
<b>11. Ship To/Mark For</b> SEE SCHEDULE		<b>Code</b>	<b>12. Payment Will Be Made By</b> DFAS COLUMBUS CENTER WEST ENTITLEMENT OPERATIONS PO BOX 182381 COLUMBUS OH 43218-2381		<b>Code</b> HQ0339		
<b>13. Authority For Using Other Than Full And Open Competition:</b> <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)( )			<b>14. Accounting And Appropriation Data</b> ACRN: AA 21 02020000006D6D02P1220112571 S11116 W52H09				
<b>15A. Item No.</b> SEE SCHEDULE	<b>15B. Schedule Of Supplies/Services</b> CONTRACT TYPE: Firm-Fixed-Price Cost-Plus-Fixed-Fee		<b>15C. Quantity</b>		<b>15D. Unit</b>	<b>15E. Unit Price</b>	<b>15F. Amount</b>
			KIND OF CONTRACT: Service Contracts Maintenance Contracts				
<b>15G. Total Amount Of Contract</b>						\$980,000.00	
<b>16. Table Of Contents</b>							
(X)	Section	Description	Page(s)	(X)	Section	Description	Page(s)
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Contracting Officer Will Complete Item 17 Or 18 As Applicable							
<b>17.</b> <input checked="" type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return 2 signed copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				<b>18.</b> <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
<b>19A. Name And Title Of Signer (Type Or Print)</b>				<b>20A. Name Of Contracting Officer</b> ELYSE MEADE MEADEE@RIA.ARMY.MIL (309) 782-5789			
<b>19B. Name of Contractor</b>  By _____ (Signature of person authorized to sign)		<b>19c. Date Signed</b>		<b>20B. United States Of America</b>  By _____ /SIGNED/ (Signature of Contracting Officer)		<b>20C. Date Signed</b>	

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SECTION A - SUPPLEMENTAL INFORMATION

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
A-1	HQ, DA	NOTICE TO OFFERORS - USE OF CLASS I OZONE-DEPLETING SUBSTANCES	JUL/1993
(a) In accordance with Section 326 of P.L. 102-484, the Government is prohibited from awarding any contract which includes a specification or standard that requires the use of a Class I ozone-depleting substance (ODS) identified in Section 602(a) of the Clean Air Act, 42 U.S.C. 7671a(a), or that can be met only through the use of such a substance unless such use has been approved, on an individual basis, by a senior acquisition official who determines that there is no suitable substitute available.			
(b) To comply with this statute, the Government has conducted a best efforts screening of the specifications and standards associated with this acquisition to determine whether they contain any ODS requirements. To the extent that ODS requirements were revealed by this review they are identified in Section C with the disposition determined in each case.			
(c) If offerors possess any special knowledge about any other ODSs required directly or indirectly at any level of contract performance, the U.S. Army would appreciate if such information was surfaced to the Contracting Officer for appropriate action. To preclude delay to the procurement, offerors should provide any information in accordance with FAR 52.214-6 or 52.215-14 as soon as possible after release of the solicitation and prior to the submission of offers to the extent practicable. It should be understood that there is no obligation on offerors to comply with this request and that no compensation can be provided for doing so.			
(AA7020)			
A-2	52-201-4501 TACOM-RI	NOTICE ABOUT TACOM-RI OMBUDSMAN	NOV/1995
a. We have an Ombudsman Office here at TACOM-RI. Its purpose is to open another channel of communication with TACOM-RI contractors.			
b. If you think that this solicitation:			
1. has inappropriate requirements; or			
2. needs streamlining; or			
3. should be changed			
you should first contact the buyer or the Procurement Contracting Officer (PCO).			
c. The buyer's name, phone number and address are on the cover page of this solicitation.			
d. If the buyer or PCO doesn't respond to the problem to your satisfaction, or if you want to make comments anonymously, you can contact the Ombudsman Office. The address and phone number are:			
U.S. Army TACOM-RI AMSTA-CM-CR (OMBUDSMAN) Rock Island IL 61299-7630 Phone: (309) 782-3223 Electronic Mail Address: AMSTA-CM-CR@ria.army.mil			
e. If you contact the Ombudsman, please provide him with the following information:			
(1) TACOM-RI solicitation number;			
(2) Name of PCO;			
(3) Problem description;			
(4) Summary of your discussions with the buyer/PCO.			
(End of clause)			

A-352.210-4516COMMERCIAL EQUIVALENT ITEM(S)JUN/1998

TACOM-RI

THE GOVERNMENT HAS A PREFERENCE TO SATISFY ITS NEEDS THROUGH THE ACQUISITION OF COMMERCIAL ITEMS. IF YOU KNOW OF ANY COMMERCIAL EQUIVALENT ITEM(S) FOR THOSE LISTED IN THIS SOLICITATION, PLEASE CONTACT THE CONTRACTING OFFICE. INFORMATION PROVIDED WILL BE CONSIDERED FOR FUTURE PROCUREMENTS.

(END OF CLAUSE)

(AS7003)

A-452.211-4506INSTRUCTIONS REGARDING SUBSTITUTIONS FOR MILITARY AND FEDERAL SPECIFICATIONS AND STANDARDSDEC/1997

TACOM-RI

(a) Section I of this document contains DFARS clause 252.211-7005, Substitutions for Military Specifications and Standards, which allows bidders/quoters/offerors to propose Management Council approved Single Process Initiatives (SPIs) in their bids/quotes/offers, in lieu of military or Federal specifications and standards cited in this solicitation.

(b) An offeror proposing to use an SPI process under this solicitation shall identify the following for each proposed SPI as required by DFARS 252.211-7005 contained in Section I:

SPI	MILITARY/FEDERAL	LOCATION OF	FACILITY	ACO
	SPEC/STANDARD			

(c) An offeror proposing to use an SPI process under this solicitation shall also provide a copy of the Department of Defense acceptance for each SPI process proposed.

(d) In the event an offeror does not identify any SPI in paragraph (b) above, the Government shall conclude that the bidder/quoter/offeror submits its bid/quote/proposal in accordance with the requirements of this solicitation.

(e) The price that is provided by the offeror in the Schedule in Section B will be considered as follows:

(1) If an SPI is identified in paragraph (b) above, the Government will presume that the price is predicated on the use of the proposed SPI.

(2) If there is no SPI identified in paragraph (b) above, the Government will presume the price is predicated on the requirements as stated in the solicitation.

(f) Bidders/quoters/offerors are cautioned that there is always the possibility that the Government could make a determination at the Head of the Contracting (HCA)/Program Executive Officer (PEO) level that the proposed SPI is not acceptable for this procurement. If such a determination is made, and the bid/quote/offer only identifies a price predicated on use of proposed SPI, the bid/quote/offer will be determined nonresponsive. Bidders/quoters/offerors who propose SPI processes are encouraged to provide a price below to reflect their price for the item manufactured in accordance with the requirements as stated in this solicitation to preclude possibly being determined nonresponsive:

CLIN \_\_\_\_\_PRICE \$ \_\_\_\_\_

CLIN \_\_\_\_\_PRICE \$ \_\_\_\_\_

CLIN \_\_\_\_\_PRICE \$ \_\_\_\_\_

CLIN \_\_\_\_\_PRICE \$ \_\_\_\_\_

(End of clause)

(AS7008)

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A-5                      52.233-4503                      AMC-LEVEL PROTEST PROGRAM                      JUN/1998  
TACOM-RI

(OCTOBER 1996)

If you have complaints about this procurement, it is preferable that you first attempt to resolve those concerns with the responsible contracting officer. However, you can also protest to Headquarters, AMC. The HQ, AMC-Level Protest Program is intended to encourage interested parties to seek resolution of their concerns within AMC as an Alternative Dispute Resolution forum, rather than filing a protest with General Accounting Office or other external forum. Contract award or performance is suspended during the protest to the same extent, and within the same time periods, as if filed at the GAO. The AMC protest decision goal is to resolve protests within 20 working days from filing. To be timely, protests must be filed within the periods specified in FAR 33.103. Send protests (other than protests to the contracting officer) to:

HQ Army Materiel Command  
Office of Command Counsel  
ATTN: AMCCC-PL  
5001 Eisenhower Avenue  
Alexandria, VA 22333-0001

Facsimile number (703) 617-4999/5680  
Voice Number (703) 617-8176

The AMC-level protest procedures are found at:

[http://www.amc.army.mil/amc/command\\_counsel/protest/protest.html](http://www.amc.army.mil/amc/command_counsel/protest/protest.html)

If Internet access is not available contact the contracting officer or HQ, AMC to obtain the AMC-Level Protest Procedures.

(END OF CLAUSE)

(AS7010)

A-6                      52.243-4510                      DIRECT VENDOR DELIVERY                      JAN/1999  
TACOM-RI

In accordance with the Changes clause of this contract, the contractor may be called upon to ship directly to the user, in lieu of the destination in the Schedule, to satisfy urgent or backorder situations. In such instances the contractor may be directed to use best commercial packaging. The contractor may also be called upon to ship the item to the new destination within 24 hours of the required delivery date as specified in the Schedule. Please provide your POC, electronic mail address and commercial phone number including area code for this effort below:

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(End of clause)

(AS7012)

A-7                      52.246-4538                      CONTRACTOR PERFORMANCE CERTIFICATION PROGRAM (CP) 2                      JUN/1998  
TACOM-RI

THE U.S. ARMY TANK-AUTOMOTIVE AND ARMAMENTS COMMAND (TACOM) ROCK ISLAND (RI) ACTIVELY PARTICIPATES IN THE CONTRACTOR PERFORMANCE CERTIFICATION PROGRAM (CP)2.

THE (CP)2 CERTIFICATION PROCESS IDENTIFIES CONTRACTORS COMMITTED TO TOTAL QUALITY, CUSTOMER SATISFACTION, AND CONTINUOUS

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IMPROVEMENT OF THEIR DESIGN/DEVELOPMENT AND PRODUCTION PROCESSES. ANY CONTRACTORS WHO HAVE HAD OR ANTICIPATE HAVING CONTRACTS WITH ANY AMC MAJOR SUBORDINATE COMMAND MAY VOLUNTARILY PARTICIPATE.

ADDITIONAL INFORMATION CAN BE OBTAINED BY CONTACTING THE CONTRACT SPECIALIST, OR THE (CP)2 PARTNERSHIP TEAM AT (309) 782-7603.

(END OF CLAUSE)

(AS7502)

1. This is an award for Contractor Logistic Support of 16 each Centauros. This action covers training, Field Service Support (high includes maintenance), and spare support for a period of 24 months commencing 29 Jun 00. The total ceiling price for the effort is US\$9,310,000, subject to negotiations, with downward adjustment only. Funding will be accomplished on an incremental basis by fiscal year. Estimates (maximum) by fiscal year follow:

FY00 - US\$1,960,000  
FY01 - US\$4,060,000  
FY02 - US\$3,290,000

2. Executed Letter Contract dated 28 Jun 00 is made a material part of this contract.

\*\*\* END OF NARRATIVE A001 \*\*\*

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ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
	SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS				
0001	<u>Supplies or Services and Prices/Costs</u>				
0001AA	<u>SERVICES LINE ITEM</u>				\$ 75,000.00
	NOUN: ITALY - TRAINING				
	SECURITY CLASS: Unclassified				
	PRON: M108C109M1 PRON AMD: 01 ACRN: AA				
	AMS CD: 122011000001220				
	<u>Inspection and Acceptance</u>				
	INSPECTION: Origin ACCEPTANCE: Origin				
	<u>Deliveries or Performance</u>				
	DLVR SCH PERF COMPL				
	<u>REL CD</u> <u>QUANTITY</u> <u>DATE</u>				
	001 0 30-SEP-2000				
	\$ 75,000.00				
0002	<u>Supplies or Services and Prices/Costs</u>				
0002AA	<u>SERVICES LINE ITEM</u>				\$ 260,000.00
	NOUN: ITALY - MAINTENANCE				
	SECURITY CLASS: Unclassified				
	PRON: M108C111M1 PRON AMD: 01 ACRN: AA				
	AMS CD: 122011000001220				
	<u>Inspection and Acceptance</u>				
	INSPECTION: Origin ACCEPTANCE: Origin				
	<u>Deliveries or Performance</u>				
	DLVR SCH PERF COMPL				
	<u>REL CD</u> <u>QUANTITY</u> <u>DATE</u>				
	001 0 30-SEP-2000				
	\$ 260,000.00				
0003	<u>Supplies or Services and Prices/Costs</u>				
0003AA	<u>SERVICES LINE ITEM</u>				\$ 615,000.00
	NOUN: ITALY - SPARE PARTS				
	SECURITY CLASS: Unclassified				
	PRON: M108C110M1 PRON AMD: 01 ACRN: AA				
	AMS CD: 122011000001220				
	<u>Inspection and Acceptance</u>				
	INSPECTION: Origin ACCEPTANCE: Origin				
	<u>Deliveries or Performance</u>				
	DLVR SCH PERF COMPL				
	<u>REL CD</u> <u>QUANTITY</u> <u>DATE</u>				
	001 0 30-SEP-2000				
	\$ 615,000.00				



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SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 General

C.1.1 The contractor shall provide unit-level, direct support and general support-level maintenance, supply services and Contractor Familiarization training (operator and operator-level maintenance) for 16 Centauros, provided to the U.S. Army by the Italian Government under International Loan Agreement (ILA) Number A-LOAN-IT-2000-0041. The vehicles will be stationed at Fort Lewis, Washington.

C.2. Maintenance

C.2.1 The contractor shall perform all maintenance above Operator and Crew Preventive Maintenance Checks and Services (PMCS), utilizing manufacturer's shop manuals and technical documents.

C.2.2 Fort Lewis will provide the necessary workspace and access to applicable organic facilities (e.g.; wash rack, weld shop, paint shop, machine shop, Halon recharge, air conditioning recharge, etc.) at no cost to the contractor during contractor maintenance. The contractor will coordinate these activities with the appropriate organic facilities at Fort Lewis.

C.2.2.1 For the entire period of performance for this scope of work, the U.S. Army will provide at Fort Lewis all the expendable materials, such as lubricants, oils, greases and fuel necessary for the proper operation and maintenance of the sixteen (16) CENTAUROS at no cost for the contractor.

C.2.3 The contractor shall prepare the assigned maintenance facility in accordance with the needs of the Contractor Logistics Support (CLS) maintenance/training team mission at Fort Lewis.

C.2.4 Exclusions.

C.2.4.1 Hull repairs will be limited to damage impacting the Operational readiness of the vehicle and/or affecting planned mission OPTEMPO. Except where deemed to potentially result in increased damage from continued use.

C.2.5 On-Site Capability.

C.2.5.1 The contractor shall provide maintenance equipment, special tools, and test equipment required to maintain the vehicles.

C.2.5.2 Contractor Logistics Support (CLS) Team.

C.2.5.2.1 The contractor shall establish a CLS team at Fort Lewis, WA, with technical skills capable of maintaining vehicle systems.

C.2.5.2.2 The CLS team shall be capable of performing all maintenance actions identified in the manufacturer's shop manuals and technical documents as required to include providing technical assistance to the U.S. Army when requested.

C.2.5.2.3 The CLS team shall be on-site within (2) hours of receipt of the request for assistance from the U.S. Army for all locations at Fort Lewis.

C.2.5.2.4 The contractor shall provide an operational readiness of not less than 90 percent (90%) of all vehicles throughout the contract period of performance. The 90% readiness rate will be measured by the following formula: Number of units (Vehicles) times 30 days times 90%. This performance measure will be calculated in 30-day intervals during the period of performance. The readiness rate affected by US Army personnel outside normal operations will be excluded from the Contractor operational readiness rate. The contractor will provide all maintenance above operator level.

C.2.5.2.5 The Contractor shall be responsible for parts stockage, inventory control, initiating requests for needed material, and replenishment of the spare/repair parts used by the CLS team.

C.2.5.2.6 The Contractor shall review requirements for stockage of spare and repair parts required to perform maintenance and maintain the Centauros operational at Fort Lewis, and adjust accordingly to minimize storage space requirements and maximize operational readiness.

C.3 Centauro Spare/Repair Parts Authorization, Supply and Support.



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C.3.1 The contractor shall manage, store, and control all contractor provided spare/repair parts, tools, test equipment, and consumables/expendables.

C.3.1.1 For the purposes of this contact, spare and repair parts shall include those Non-Developmental Item parts, assemblies, and peculiar supplies required to operate and maintain the Centauros. The contractor shall ensure that proper system configuration is maintained.

C.3.2 Repair of Parts, Assemblies, Tools, and Test Equipment.

C.3.2.1 The contractor shall evaluate and determine if a component is economically repairable. As a general rule, any item whose repair cost exceeds 100% of the cost of a new item, is not considered economically repairable.

C.3.2.2 When (due to replacement part delivery) vehicle downtime exceeds 24 hours, the contractor may be authorized to repair parts and assemblies that are estimated to exceed replacement cost. The contractor must request, and include with each request, estimated delivery date, estimated cost, that this remedy will support the (90) percent operational readiness and that repairs will be within the authorized estimate. The contractor shall effect repairs estimated to exceed new part cost after the COTR has provided written authorization. The authorization will be provided by the COTR within 24 hours (excluding U.S. Holidays and weekends) of contractor request.

C.3.3 The contractor shall provide technical and maintenance support services at Aberdeen Proving Ground (APG), Maryland, during the U.S. Army conducted Safety assessment and evaluation of the Centauro vehicle. Duration of this support is estimated at 30 days. The contractor shall install any modifications to the Centauro vehicle that are required by the U.S. Army to obtain a Safety Release for operation of the vehicles.

C.4 Transportation.

C.4.1 The contractor shall be responsible for the transportation of contractor provided supplies to Ft. Lewis.

C.4.2 Evacuation.

C.4.2.1 The U.S. Army will provide recovery and evacuation of Centauros to supporting maintenance facilities under the supervision of the CLS team.

C.4.2.2 The contractor is responsible for evacuation of any program material or system components to a specialized repair facility and/or subcontractor facility.

C.4.2.3 The contractor shall provide all appropriate CLS team vehicles.

C.5 Quarterly Reports (DD Form 1423).

C.5.1 The contractor shall maintain usage and stockage data and shall provide the management and inventory control of spare and repair parts; to include any consumables/expendables. This report will be provided in English.

C.5.2 The contractor shall electronically deliver a quarterly report (i.e.; relational database) in contractor format to TACOM-RI, AMSTA-LC-CAC-B, Attn: Mrs. Elyse Meade. This report will be provided in English.

C.5.3 The quarterly report shall summarize all contract actions for the reporting period. The report shall include:

C.5.3.1 Narrative of maintenance actions performed by the CLS team.

C.5.3.2 Cost data regarding parts purchased by the US Army, component repairs, services, labor usage, and subcontracts.

C.5.3.3 Status of repairable items and long lead purchase.

C.5.3.4 Supply support number of transactions by part.

C.5.3.5 The report shall be prepared quarterly and shall be due to the Government on the 20th day of the month following the reporting period. This report will be provided in English.

C.6 Contractor Familiarization Training (CFT)

C.6.1 The Contractor shall provide technically qualified, English speaking personnel necessary to conduct training courses

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at the Government Fort Lewis facility for 96 U.S. Army personnel. This training shall be directed at both crew and individual operator level.

C.6.2 Training courses shall be conducted for the following vehicle positions:

- a. Driver/operator maintenance.
- b. Gunner/turret operator maintenance.
- c. Crew commander (Navigation).
- d. Loader

C.6.2.1 Prerequisites include all the basic skills of an armored vehicle crewman. Training of other U.S. Army-installed equipment will not be the responsibility of the Contractor.

C.6.3 The Contractor shall conduct CFT in the operation and maintenance (operator level only) of the Centauro chassis and turret.

C.6.4 CFT shall commence no later than 10 working days after the first 4 vehicles have been delivered to the training facility. The Contractor requires all four vehicles, from the first delivery, to conduct this training.

C.6.5 Initial training for 64 personnel must be completed by in sufficient time to effect hand off for maneuvers with coordination through the COTR. Trainers must be able to speak and read English fluently.

C.6.6 The Contractor will supply student study materials to each student in English. Safety precautions shall be taught and practiced before a course member is permitted to handle or operate any equipment or tool.

C.6.7 The U.S. Army will supply all facilities, training areas, POL and waste disposal for CFT. Facilities required for training include, 4 classrooms for up to 12 students each and appropriate maintenance bays for 4 Centauros being utilized in the hands-on portion of the training program. Office facilities complete with desks, chairs, telephones, and lockable cabinets to support 6 instructors.

C.6.8 The Contractor will provide the necessary tools, test equipment, and spare/repair parts to conduct the training for operator and crew PMCS.

C.7 Disposal of Scrap Material.

C.7.1 For the purposes of this contract, scrap material is defined as those spare/repair parts that are not economically repairable.

C.7.2 Material requiring disposal shall be disposed of through the local (Fort Lewis/DCMC) Property Disposal Office.

C.8 Period of Performance.

C.8.1 The period of performance for this scope of work begins on the effective date of contract award and ends June 2002.

C.9 Command and Control.

C.9.1 The Contracting Officer may direct the contractor by written justification, at the contractor's expense, to remove or replace any contractor employee failing to adhere to instructions and general orders issued by the Fort Lewis Commander or his/her designated representative. If any contractor employee is removed, the contractor shall provide a qualified replacement at no increase to the contract price. Removal of the employee(s) for cause, will not constitute an excuse for failure to perform within the specified requirements of this contract.

C.9.2 Standard Identification Cards.

C.9.2.1 The Contracting Officer's Representative (COTR) shall identify to the contractor all identification cards and tags required.

C.9.2.2 The COTR shall inform the contractor where the identification cards and tags are to be issued.

C.9.2.3 The COTR shall coordinate for the issuance of required identification cards and tags for all contractor employees.

C.9.2.4 The contractor shall ensure all individuals have the required identification cards and tags.

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C.10 Inspection Records

C.10.1 Inspection records of all inspections performed by the Contractor shall be kept complete and available to the U.S. Government for a period of four years following completion of the contract.

C.11 Inspections and Tests

C.11.1 A joint Contractor and U.S. Government inspection of each vehicle shall be performed as follows:

- a. Prior to shipment from Contractor's facility (IAW para. 3.2 of the ILA).
- b. Upon arrival at destination point (Ft. Lewis).
- c. Prior to shipment back to Contractor's facility (IAW para. 3.2 of the ILA).
- d. Upon arrival at destination point (Contractor's facility).

C.12 Operator Licenses.

C.12.1 The contractor shall ensure employees possess the required civilian and Centauro licenses as certified by the contractor.

C.12.2 The U.S. Army, at its discretion, may train, license, and authorize contractor employees to operate military owned or leased equipment.

C.12.3 The contractor and its employees may be held jointly and severally liable for all damages resulting from the unsafe or negligent operation of the Centauros and any equipment provided in the maintenance facility, only when such operation is carried out under full control of the contractor and its employees.

C.12.4 The contractor will not be liable for direct or consequential damages, either to physical persons or material goods, arising from the use or operation of the Centauros by the U.S. Army personnel.

C.13 Mission Training.

C.13.1 The COTR shall notify the contractor all required mission training and the locations of the training performed by the U.S. Army.

C.14 Medical Care.

C.14.1 The Government shall provide to contractor employees, on a cost-reimbursable basis, emergency medical care commensurate with the care provided to Department of Defense civilian and military personnel stationed at Fort Lewis, WA.

C.15 On-Call Duty.

C.15.1 The contractor shall be reasonably available to work (i.e., on-call) during other than "regular hours" to perform high-priority tasks.

C.16 Warranty.

C.16.1 The contractor will honor any Italian warranties with respect to new spare parts supplied to the U.S. Government. The contractor will not hold the Government responsible for any costs, repair, or refurbishment associated with warranty defects.

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\*\*\* END OF NARRATIVE C001 \*\*\*

**Name of Offeror or Contractor:** CONSORZIO IVECO FIAT OTO MELARA

SECTION E - INSPECTION AND ACCEPTANCE  
This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:  
<http://www.arnet.gov/far/> or [www.acq.osd.mil/dp/dars](http://www.acq.osd.mil/dp/dars)

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

(EA7001)

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
E-1	52.246-2	INSPECTION OF SUPPLIES - FIXED-PRICE	AUG/1996
E-2	52.246-16	RESPONSIBILITY FOR SUPPLIES	APR/1984

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**Name of Offeror or Contractor:** CONSORZIO IVECO FIAT OTO MELARA

SECTION F - DELIVERIES OR PERFORMANCE  
 This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://www.arnet.gov/far/> or [www.acq.osd.mil/dp/dars](http://www.acq.osd.mil/dp/dars)

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

(FA7001)

	<u>Regulatory Cite</u>	<u>Title</u>	<u>Date</u>
F-1	52.242-15	STOP-WORK ORDER - ALTERNATE I	AUG/1989
F-2	52.242-17	GOVERNMENT DELAY OF WORK	APR/1984

Name of Offeror or Contractor: CONSORZIO IVECO FIAT OTO MELARA

SECTION G - CONTRACT ADMINISTRATION DATA

										JOB					
LINE	PRON/	OBLG								ORDER	ACCOUNTING		OBLIGATED		
ITEM	AMS CD	ACRN	STAT	ACCOUNTING CLASSIFICATION						NUMBER	STATION		AMOUNT		
0001AA	M108C109M1	AA	1	21	02020000006D6D02P1220112571	S11116				0LLX1A	W52H09	\$	75,000.00		
122011000001220															
0002AA	M108C111M1	AA	1	21	02020000006D6D02P1220112571	S11116				0LLX1A	W52H09	\$	260,000.00		
122011000001220															
0003AA	M108C110M1	AA	1	21	02020000006D6D02P1220112571	S11116				0LLX1A	W52H09	\$	615,000.00		
122011000001220															
0004AA	M108C112M1	AA	1	21	02020000006D6D02P1220112571	S11116				0LLX1A	W52H09	\$	30,000.00		
122011000001220															
												TOTAL	\$	980,000.00	
SERVICE															
NAME	TOTAL BY ACRN		ACCOUNTING CLASSIFICATION						ACCOUNTING		OBLIGATED				
Army	AA		21	02020000006D6D02P1220112571	S11116				W52H09	\$	980,000.00				
												TOTAL	\$	980,000.00	

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SECTION H - SPECIAL CONTRACT REQUIREMENTS

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://www.arnet.gov/far/> or [www.acq.osd.mil/dp/dars](http://www.acq.osd.mil/dp/dars)

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

(HA7001)

	Regulatory Cite	Title	Date
H-1	252.247-7023 DFARS	TRANSPORTATION OF SUPPLIES BY SEA	MAR/2000
H-2	252.247-7024 DFARS	NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA	MAR/2000
H-3	252.247-7023 DFARS	DELETED 21 MAR 00 AND REPLACED BY HA0760, TRANSPORTATION OF SUPPLIES BY SEA	NOV/1995

(a) Definitions. As used in this clause--

(1) ''Components'' means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) ''Department of Defense'' (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) ''Foreign flag vessel'' means any vessel that is not a U.S.-flag vessel.

(4) ''Ocean transportation'' means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) ''Subcontractor'' means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract. However, effective May 1, 1996, the term does not include a supplier, materialman, distributor, or vendor of commercial items or commercial components.

(6) ''Supplies'' means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) ''Supplies'' include (but is not limited to) public works; buildings and facilities; ships; floating equipment; and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) ''U.S.-flag vessel'' means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall employ U.S.-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that--

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the



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shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum--

- (1) Type, weight, and cube of cargo;
- (2) Required shipping date;
- (3) Special handling and discharge requirements;
- (4) Loading and discharge points;
- (5) Name of shipper and consignee;
- (6) Prime contract number; and
- (7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(d) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information--

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of the steamship company.

(e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief--

- (1) No ocean transportation was used in the performance of this contract;
- (2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;
- (3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or
- (4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

Item	Contract	Description	Line Item	Quantity	Total
(f) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.					
(g) The Contractor shall include this clause, including this paragraph (g) in all subcontracts under this contract, which					

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exceed the simplified acquisition threshold in Part 13 of the Federal Acquisition Regulation.

(End of Clause)

(HA7502)

H-4                    252.247-7024            DELETED 21 MAR 00 AND REPLACED BY HA0761, NOTIFICATION OF                    NOV/1995  
                         DFARS                    TRANSPORTATION OF SUPPLIES BY SEA

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor--

(1) Shall notify the Contracting Officer of that fact; and

(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties, in all subcontracts hereunder, except (effective May 1, 1996) subcontracts for the acquisition of commercial items or components.

(End of clause)

(HA7503)

H-5                    52.239-4500            YEAR 2000 (Y2K) COMPLIANCE                    NOV/1998  
                         TACOM-RI

a. In the event that this contract calls for the delivery of any data processing hardware, software and/or firmware (to be referred to as information technology), such deliverables shall be required to perform accurate date/time processing involving dates subsequent to December 31, 1999. The information technology shall by Year 2000 compliant upon delivery.

b. Definition. Year 2000 compliant means information technology that accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. Furthermore, year 2000 compliant information technology, when used in combination with other information technology properly exchanges date/time data with it.

(End of clause)

(HS7506)

H-6                    52.247-4545            PLACE OF CONTRACT SHIPPING POINT, RAIL INFORMATION                    MAY/1993  
                         TACOM-RI

The bidder/offeror is to fill in the 'Shipped From' address, if different from 'Place of Performance' indicated elsewhere in this section.

Shipped From:

For contracts involving F.O.B. Origin shipments furnish the following rail information:

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Does Shipping Point have a private railroad siding? \_\_\_\_ YES \_\_\_\_ NO

If YES, give name of rail carrier serving it: \_\_\_\_\_

If NO, give name and address of nearest rail freight station and carrier serving it:

Rail Freight Station Name and Address: \_\_\_\_\_

Serving Carrier: \_\_\_\_\_

(End of Clause)

(HS7600)

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SECTION I - CONTRACT CLAUSES

This document incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://www.arnet.gov/far/> or [www.acq.osd.mil/dp/dars](http://www.acq.osd.mil/dp/dars)

If the clause requires additional or unique information, then that information is provided immediately after the clause title.

(IA7001)

	Regulatory Cite	Title	Date
I-1	52.203-3	GRATUITIES	APR/1984
I-2	52.203-5	COVENANT AGAINST CONTINGENT FEES	APR/1984
I-3	52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY	JAN/1997
I-4	52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	JAN/1997
I-5	52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JUN/1997
I-6	52.204-4	PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER	JUN/1996
I-7	52.211-5	MATERIAL REQUIREMENTS	AUG/2000
I-8	52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS	SEP/1990
I-9	52.215-2	AUDIT AND RECORDS - NEGOTIATION	AUG/1996
I-10	52.216-7	ALLOWABLE COST AND PAYMENT	MAR/2000
I-11	52.216-8	FIXED FEE	FEB/1997
I-12	52.222-21	PROHIBITION OF SEGREGATED FACILITIES	FEB/1999
I-13	52.222-26	EQUAL OPPORTUNITY	FEB/1999
I-14	52.222-35	AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	APR/1998
I-15	52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES	JUN/1998
I-16	52.222-37	EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	JAN/1999
I-17	52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	JUL/2000
I-18	52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES	JUN/2000
I-19	52.229-3	FEDERAL, STATE, AND LOCAL TAXES	JAN/1991
I-20	52.229-5	TAXES - CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO	APR/1984
I-21	52.232-1	PAYMENTS	APR/1984
I-22	52.232-8	DISCOUNTS FOR PROMPT PAYMENT	MAY/1997
I-23	52.232-11	EXTRAS	APR/1984
I-24	52.232-17	INTEREST	JUN/1996
I-25	52.232-23	ASSIGNMENT OF CLAIMS - ALTERNATE I	APR/1984
I-26	52.232-25	PROMPT PAYMENT	JUN/1997
I-27	52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER - CENTRAL CONTRACTOR REGISTRATION	MAY/1999
I-28	52.233-1	DISPUTES	JAN/1999
I-29	52.233-3	PROTEST AFTER AWARD - ALTERNATE I	AUG/1989
I-30	52.233-3	PROTEST AFTER AWARD	OCT/1995
I-31	52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR/1984
I-32	52.242-13	BANKRUPTCY	JUL/1995
I-33	52.243-1	CHANGES - FIXED PRICE	AUG/1987
I-34	52.243-2	CHANGES - COST REIMBURSEMENT	AUG/1987
I-35	52.243-2	CHANGES - COST-REIMBURSEMENT - ALTERNATE I	APR/1984
I-36	52.247-63	PREFERENCE FOR U.S. - FLAG AIR CARRIERS	JAN/1997
I-37	52.248-1	VALUE ENGINEERING	FEB/2000
I-38	52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)	SEP/1996
I-39	52.249-6	TERMINATION (COST-REIMBURSEMENT)	SEP/1996
I-40	52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)	APR/1984
I-41	52.253-1	COMPUTER GENERATED FORMS	JAN/1991
I-42	252.204-7003 DFARS	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT	APR/1992
I-43	252.205-7000 DFARS	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS	DEC/1991
I-44	252.209-7000	ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER	NOV/1995

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	DFARS	THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY	
I-45	252.225-7009	DUTY-FREE ENTRY--QUALIFYING COUNTRY SUPPLIES (END PRODUCTS AND COMPONENTS)	MAR/1998
	DFARS		
I-46	252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES	MAY/1999
	DFARS		
I-47	252.225-7031	SECONDARY ARAB BOYCOTT OF ISRAEL	JUN/1992
	DFARS		
I-48	252.231-7000	SUPPLEMENTAL COST PRINCIPLES	DEC/1991
	DFARS		
I-49	252.242-7000	POSTAWARD CONFERENCE	DEC/1991
	DFARS		
I-50	252.243-7001	PRICING OF CONTRACT MODIFICATIONS	DEC/1991
	DFARS		
I-51	252.243-7002	REQUESTS FOR EQUITABLE ADJUSTMENT	MAR/1998
	DFARS		
I-52	252.246-7000	MATERIAL INSPECTION AND RECEIVING REPORT	DEC/1991
	DFARS		

I-53 52.244-2 SUBCONTRACTS - ALTERNATE I AUG/1998  
(a) Definitions. As used in this clause -

Approved purchasing system means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

Consent to subcontract means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract. Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.

(c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (d) or (e) of this clause.

(d) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that -

(1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

(2) Is fixed-price and exceeds -

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract;

or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

-1-

(f)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

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- (iii) Identification of the proposed subcontractor.
- (iv) The proposed subcontract price.
- (v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.
- (vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provision of the contract.
- (vii) A negotiation memorandum reflecting -
  - (A) The principal elements of the subcontract price negotiations;
  - (B) The most significant considerations controlling establishment of initial or revised prices;
  - (C) The reason cost or pricing data were or were not required;
  - (D) The extent, if any to which the Contract did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
  - (E) The extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;
  - (F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and
  - (G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives and a summary of all trade-off possibilities considered.
- (2) If the Contractor has an approved purchasing system and consent is not required under paragraph (c), (d), or (e) of this clause, the Contractor nevertheless shall notify the Contracting Officer reasonably in advance of entering into any (i) cost-plus-fixed-fee subcontract, or (ii) fixed-price subcontract that exceeds the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of this contract. The notification shall include the information required by paragraphs (f)(1)(i) through (f)(1)(iv) of this clause.
- (g) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination -
  - (1) Of the acceptability of any subcontract terms or conditions;
  - (2) Of the allowability of any cost under this contract; or
  - (3) To relieve the Contractor of any responsibility for performing this contract.
- (h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).
- (i) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.
- (j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.
- (k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

-2-

(End of clause)

(IF6074)

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> DAAE20-00-C-0066 <b>MOD/AMD</b>	<b>Page 23 of 27</b>
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I-54                      52.202-1                      DEFINITIONS                      OCT/1995

(a)''Head of the agency'' (also called                      agency head'') or ''Secretary'' means the Secretary (or Attorney General, Administrator, Governor, Chairperson, or other chief official, as appropriate) of the agency, including any deputy or assistant chief official of the agency; and the term ''authorized representative'' means any person, persons, or board (other than the Contracting Officer) authorized to act for the head of the agency or Secretary.

(b) Commercial component means any component that is a commercial item.

(c) Commercial item means--

(1) Any item, other than real property, that is of a type customarily used for nongovernmental purposes and that--

(i) Has been sold, leased, or licensed to the general public; or

(ii) Has been offered for sale, lease, or license to the general public;

(2) Any item that evolved from an item described in paragraph (c)(1) of this clause through advances in technology or performance and that is not yet available in the commercial marketplace, but will be available in the commercial marketplace in time to satisfy the delivery requirements under a Government solicitation;

(3) Any item that would satisfy a criterion expressed in paragraphs (c)(1) or (c)(2) of this clause, but for--

(i) Modifications of a type customarily available in the commercial marketplace; or

(ii) Minor modifications of a type not customarily available in the commercial marketplace made to meet Federal Government requirements. ''Minor'' modifications means modifications that do not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final product. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor;

(4) Any combination of items meeting the requirements of paragraphs (c)(1), (2), (3), or (5) of this clause that are of a type customarily combined and sold in combination to the general public;

(5) Installation services, maintenance services, repair services, training services, and other services if such services are procured for support of an item referred to in paragraphs (c)(1), (2), (3), or (4) of this clause, and if the source of such services--

(i) Offers such services to the general public and the Federal Government contemporaneously and under similar terms and conditions; and

(ii) Offers to use the same work force for providing the Federal Government with such services as the source uses for providing such services to the general public;

(6) Services of a type offered and sold competitively in substantial quantities in the commercial marketplace based on established catalog or market prices for specific tasks performed under standard commercial terms and conditions. This does not include services that are sold based on hourly rates without an established catalog or market price for a specific service performed;

(7) Any item, combination of items, or service referred to in subparagraphs (c)(1) through (c)(6), notwithstanding the fact that the item, combination of items, or service is transferred between or among separate divisions, subsidiaries, or affiliates of a Contractor; or

(8) A nondevelopmental item, if the procuring agency determines the item was developed exclusively at private expense and sold in substantial quantities, on a competitive basis, to multiple State and local Governments.

(d) Component means any item supplied to the Federal Government as part of an end item or of another component.

(e) Nondevelopmental item means--

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- (1) Any previously developed item of supply used exclusively for governmental purposes by a Federal agency, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement;
- (2) Any item described in paragraph (e)(1) of this definition that requires only minor modification or modifications of a type customarily available in the commercial marketplace in order to meet the requirements of the procuring department or agency; or
- (3) Any item of supply being produced that does not meet the requirements of paragraph (e)(1) or (e)(2) solely because the item is not in use.
- (f) ''Contracting Officer'' means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.
- (g) Except as otherwise provided in this contract, the term ''subcontracts'' includes, but is not limited to, purchase orders and changes and modifications to purchase orders under this contract.

(End of Clause)

(IF7252)

I-55                      52.203-6                      RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT                      JUL/1995

(a) Except as provided in (b) below, the Contractor shall not enter into any agreement with an actual or prospective subcontractor, nor otherwise act in any manner, which has or may have the effect of restricting sales by such subcontractors directly to the Government of any item or process (including computer software) made or furnished by the subcontractor under this contract or under any follow-on production contract.

(b) The prohibition in (a) above does not preclude the Contractor from asserting rights that are otherwise authorized by law or regulation.

(c) The Contractor agrees to incorporate the substance of this clause, including this paragraph (c), in all subcontracts under this contract which exceed \$100,000.

(End of Clause)

(IF7210)

I-56                      52.203-7                      ANTI-KICKBACK PROCEDURES                      JUL/1995

(a) Definitions.

''Kickback,'' as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract

''Person,'' as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

''Prime contract,'' as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

''Prime Contractor'' as used in this clause, means a person who has entered into a prime contract with the United States.

''Prime Contractor employee,'' as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

''Subcontract,'' as used in this clause, means a contract or contractual action entered into by a prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

''Subcontractor,'' as used in this clause (1) means any person, other than the prime Contractor, who offers to furnish or



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furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

'Subcontractor employee,' as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

(b) The Anti-Kickback of 1986 (41 U.S.C. 51.58) (the Act), prohibits any person from--

(1) Providing or attempting to provide or offering to provide any kickback;

(2) Soliciting, accepting, or attempting to accept any kickback; or

(3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

(c)(1) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.

(2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.

(3) The Contractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.

(4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that Prime Contractor withhold from sums owed a subcontractor under the prime contract the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.

(5) The Contractor agrees to incorporate the substance of this clause, including subparagraph (c)(5) but excepting subparagraph (c)(1), in all subcontracts under this contract which exceed \$100,000.

(End of Clause)

(IF7211)

I-57	52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	AUG/1995
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(a) The Government suspends or debar Contractors to protect the Government's interests. The Contractor shall not enter into any subcontract in excess of the small purchase limitation at FAR 13.000 with a Contractor that is debarred, suspended, or proposed for debarment unless there is a compelling reason to do so.

(b) The Contractor shall require each proposed first-tier subcontractor, whose subcontract will exceed the small purchase limitation at FAR 13.000, to disclose to the Contractor, in writing whether as of the time of award of the subcontract, the subcontractor, or its principals is or is not debarred, suspended, or proposed for debarment by the Federal Government.

(c) A corporate officer or a designee of the Contractor shall notify the Contracting Officer, in writing, before entering into a subcontract with a party that is debarred, suspended, or proposed for debarment (see FAR 9.404 for information on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs). The notice must include the following:

(1) The name of the subcontractor.

(2) The Contractor's knowledge of the reasons for the subcontractor being on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

(3) The compelling reason(s) for doing business with the subcontractor notwithstanding its inclusion on the List of Parties Excluded From Federal Procurement Nonprocurement Programs.

(4) The systems and procedures the Contractor has established to ensure that it is fully protecting the Government's

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interests when dealing with such subcontractor in view of the specific basis for the party's debarment, suspension, or proposed debarment.

(End of Clause)

(IF7212)

I-58                      52.222-20                      WALSH-HEALEY PUBLIC CONTRACTS ACT                      DEC/1996

(a) All stipulations required by the Act and regulations issued by the Secretary of Labor (41 CFR Chapter 50) are incorporated by reference. These stipulations are subject to all applicable rulings and interpretations of the Secretary of Labor that are now, or may hereafter, be in effect.

(b) All employees whose work relates to this contract shall be paid not less than the minimum wage prescribed by regulations issued by the Secretary of Labor (41 CFR 50-202.2). Learners, student learners, apprentices, and handicapped workers may be employed at less than the prescribed minimum wage (see 41 CFR 50-202.3) to the same extent that such employment is permitted under Section 14 of the Fair Labor Standards Act (41 U.S.C. 40).

(End of clause)

(IF7114)

I-59                      52.244-6                      SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS                      OCT/1998

(a) Definition

Commercial item, as used in this clause, has the meaning contained in the clause at 52.202-1, Definitions.

Subcontract, as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

- (1) 52.222-26, Equal Opportunity (E.O. 11246);
- (2) 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. 4212(a));
- (3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793); and
- (4) 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 U.S.C. 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

End of Clause

(IF7253)

I-60                      52.252-6                      AUTHORIZED DEVIATIONS IN CLAUSES                      APR/1984

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of ''(DEVIATION)'' after the date of the clause.

(b) The use in this solicitation or contract of any DOD FAR SUPPLEMENT (48 CFR Chapter 2) clause with an authorized deviation is

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indicated by the addition of ''(DEVIATION)'' after the name of the regulation.

(End of clause)

(IF7016)